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UNCLAS SECTION 01 OF 03 KATHMANDU 001670

SIPDIS

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SUBJECT: NEPAL: MAOIST ACTIVITY AUGUST 23 - 29

REF: (A) KATHMANDU 1650
(B) KATHMANDU 1648
(C) KATHMANDU 1644
(D) KATHMANDU 1620
(E) KATHMANDU 1612
(F) KATHMANDU 1611

SUMMARY

1. ON AUGUST 27, NEPAL'S MAOIST REBELS ISSUED A PRESS STATEMENT EFFECTIVELY ENDING THE SEVEN-MONTH LONG CEASE-FIRE WITH THE GOVERNMENT OF NEPAL (GON) (REF C). IN THE PRESS STATEMENT, THE INSURGENTS ATTEMPTED TO BLAME THE GON FOR THE FAILURE OF THE PEACE PROCESS, CITING ALLEGED GON VIOLATIONS OF THE AGREED CODE OF CONDUCT AND GON REFUSAL TO CONCEDE TO MAOIST DEMANDS FOR A CONSTITUENT ASSEMBLY. HOWEVER, THE POLITICAL PARTIES AND CIVIL SOCIETY HAVE DEPLORED THE MAOIST DECISION, CALLING IT A "BETRAYAL" OF THE NEPALI PEOPLE'S DESIRE FOR PEACE.

2. SUMMARY CONTINUED: THE MAOIST DECLARATION ARRIVED AMID INCREASED MAOIST VIOLENCE IN MANY PARTS OF THE COUNTRY, INCLUDING AN ATTACK ON FORMER PRIME MINISTER DEUBA AND THE DESTRUCTION BY ARSON OF A LARGE PAPER MILL IN THE TERAI (REF D). SINCE THE BREAK IN THE CEASE-FIRE, THE MAOISTS ATTEMPTED TO ASSASSINATE TWO ARMY COLONELS, ABDUCTED OVER A DOZEN CPN-UML PARTY MEMBERS AND LOOTED OVER USD 50,000 FROM A BANK IN DANG DISTRICT (REF B). IN REACTION, THE GON RE-DESIGNATED THE MAOISTS AS A TERRORIST GROUP AND PUT SECURITY FORCES ON HIGH ALERT WITH NIGHTTIME CURFEWS IMPOSED IN TEN DISTRICTS AS OF AUGUST 29 (REF A). END SUMMARY.

MAOISTS ISSUE ULTIMATUM ON CONSTITUENT ASSEMBLY

3. ON AUGUST 24, THE MAOISTS ISSUED AN ULTIMATUM GIVING THE GON UNTIL AUGUST 26 TO AGREE TO THE FORMATION OF A CONSTITUENT ASSEMBLY TO REDRAFT NEPAL'S CONSTITUTION. THE ULTIMATUM FOLLOWED LESS THAN A WEEK AFTER THE CONCLUSION ON AUGUST 19 OF THE THIRD ROUND OF PEACE TALKS AND A DAY AFTER GON NEGOTIATOR AND FINANCE MINISTER, PRAKASH CHANDRA LOHANI, CALLED THE MAOIST DEMAND FOR A CONSTITUENT ASSEMBLY "A STRATEGY TO CONSOLIDATE MILITANT POWER" THAT COULD NOT BE CONSIDERED UNLESS THE MAOISTS AGREED TO GIVE UP THEIR ARMS.

4. MAOIST STATEMENTS MADE PRIOR TO THE AUGUST 24 ULTIMATUM SENT MIXED MESSAGES ABOUT THE INSURGENTS' COMMITMENT TO THE CEASE-FIRE. ON AUGUST 23, MAOIST SUPREME LEADER PUSHPA KAMAL DAHAL, ALIAS PRACHANDA, REPORTEDLY SAID THAT THE MAOISTS WOULD NOT "BACK AWAY" FROM THE CEASE-FIRE, WHILE ON AUGUST 24, MAOIST POLITICAL LEADER BABURAM BHATTARAI WARNED THAT ANOTHER ROUND OF TALKS WOULD BE "FUTILE IF THE GOVERNMENT DOES NOT ACCEPT UNCONDITIONALLY A CONSTITUENT ASSEMBLY." MEANWHILE, GON NEGOTIATORS SAID THEY WERE READY TO RESUME PEACE TALKS "ANYTIME AFTER MONDAY, ANYWHERE IN NEPAL."

5. LEADERS IN BOTH THE NEPALI CONGRESS AND COMMUNIST PARTY OF NEPAL - UNITED MARXIST LENINIST (CPN-UML) ALSO REJECTED THE MAOIST DEMAND FOR A CONSTITUENT ASSEMBLY, ALTHOUGH THEY REMAINED IN FAVOR OF AMENDING THE CONSTITUTION. CPN-UML LEADER K.P. OLI SAID, "THE GOVERNMENT OFFER ON THIS IS A GOOD ONE AND SOMETHING WHICH THE REBELS SHOULD AGREE TO."

DEATH OF 17 MAOISTS RAISES INTERNATIONAL CONCERN

6. ON AUGUST 23, AMNESTY INTERNATIONAL ALLEGED THAT "17 MAOISTS WERE DELIBERATELY KILLED BY THE ARMY AFTER BEING TAKEN INTO CUSTODY" AND DEMANDED A PROBE INTO THE INCIDENT, WHICH TOOK PLACE ON AUGUST 17 IN DORAMBA IN RAMECHHAP DISTRICT IN CENTRAL-EASTERN NEPAL. THE ROYAL NEPAL ARMY REPORT, HOWEVER, STATED THAT THE SECURITY FORCES WERE ATTACKED FIRST AND ONLY RESPONDED IN SELF-DEFENSE.

7. IN REACTION TO THE DORAMBA INCIDENT, THE MAOISTS

DECLARED A BANDH, OR GENERAL STRIKE, WHICH WAS CARRIED OUT PEACEFULLY IN EASTERN NEPAL ON AUGUST 26. ALSO ON THE 26TH, THE NATIONAL HUMAN RIGHTS COMMISSION APPOINTED A PANEL, LED BY A FORMER SUPREME COURT JUDGE, TO INITIATE AN INQUIRY INTO THE INCIDENT.

MAOISTS ATTACK FORMER PRIME MINISTER

18. ON AUGUST 25, MAOISTS AMBUSHED THE CONVEY OF FORMER PRIME MINISTER AND LEADER OF THE NEPALI CONGRESS (DEMOCRATIC), SHER BAHADUR DEUBA, WHILE HE WAS TRAVELING BY ROAD IN KAILALI DISTRICT IN MID-WEST NEPAL TO ATTEND A POLITICAL PARTY PROGRAM (REF E). NO ONE WAS HURT, ALTHOUGH HIS VEHICLE REPORTEDLY WAS HIT TWICE BY BULLETS, PUNCTURING ONE TIRE. A POLICE ESCORT VEHICLE WAS ALSO HIT. PRIME MINISTER SURYA BAHADUR THAPA STRONGLY CONDEMNED THE ATTACK ON THE FORMER PRIME MINISTER AND SAID IT "RAISED SERIOUS DOUBTS OVER THE MAOISTS' COMMITMENT TO THE PEACE PROCESS." ALL OF THE POLITICAL PARTIES ALSO MADE STATEMENTS DEPLORING THE MAOIST ATTACK. ON AUGUST 26, THE MAOISTS EXPRESSED "SORROW" OVER THE ATTACK ON DEUBA AND SUGGESTED THAT THE INSURGENTS WERE NOT AWARE THAT THE FORMER PRIME MINISTER WAS IN THE CONVOY.

MAOISTS TORCH EVEREST PAPER MILL

19. ON AUGUST 25, MAOISTS IN DHANUSHA DISTRICT IN THE EASTERN TERAI USED KEROSENE AND GRENADES TO SET FIRE TO THE EVEREST PAPER MILL AND KIDNAPPED THREE INDIAN EMPLOYEES, INCLUDING THE CHIEF MANAGER OF THE PLANT. THESE WERE THE FIRST INDIAN CITIZENS TO HAVE BEEN ABDUCTED BY THE MAOISTS. DAMAGE TO THE MILL WAS ESTIMATED TO BE OVER USD 250,000.

MAOISTS BREAK CEASE-FIRE AND RESUME VIOLENCE

10. AFTER SEVERAL DAYS OF RECRIMINATIONS BY BOTH THE GON AND MAOISTS, ON AUGUST 27 THE MAOISTS ISSUED A PRESS STATEMENT EFFECTIVELY WITHDRAWING FROM THE CEASE-FIRE WHILE ATTEMPTING TO BLAME THE GOVERNMENT FOR THE BREAKDOWN IN PEACE TALKS (REF B). THE FOLLOWING MORNING, ON AUGUST 28, MAOIST HIT TEAMS ATTEMPTED TO ASSASSINATE TWO ARMY COLONELS. COLONEL KIRIN BASNYAT DIED WHILE THE SECOND OFFICER, COLONEL RAMINDRA CHHETRI, IS IN CRITICAL CONDITION (REF A). COLONEL BASNYAT IS THE HIGHEST-RANKING ARMY OFFICER TO HAVE BEEN KILLED BY THE MAOISTS DURING THE SEVEN-YEAR INSURGENCY. ALSO ON AUGUST 28, MAOIST CADRES ROBBED THE RASTRIYA BANIJYA BANK IN DANG DISTRICT, STEALING OVER USD 50,000 IN CASH AND SERIOUSLY INJURING A BANK OFFICIAL.

11. THE GON RESPONDED TO THE INCIDENTS BY RE-DECLARING THE MAOISTS AS TERRORISTS -- A DESIGNATION THE GOVERNMENT WITHDREW AS A PRE-CONDITION TO PEACE TALKS DURING THE CEASE-FIRE. SECURITY FORCES WENT ON HIGH ALERT WITH NIGHTTIME CURFEWS IMPOSED IN TEN DISTRICTS ACROSS THE COUNTRY AS OF AUGUST 29.

12. THE POLITICAL PARTIES AND INTERNATIONAL COMMUNITY WIDELY CONDEMNED THE MAOIST DECISION TO BREAK THE CEASE-FIRE. NEPALI CONGRESS PRESIDENT G.P. KOIRALA URGED BOTH SIDES TO SEEK A PEACEFUL SOLUTION THROUGH TALKS WHILE NEPALI CONGRESS (DEMOCRATIC) LEADER SHER BAHADUR DEUBA CHARACTERIZED THE MAOIST WITHDRAWAL AS A "BETRAYAL."

13. ON AUGUST 29, THE MAOISTS ISSUED A PRESS STATEMENT DECLARING THAT THE INSURGENTS WOULD RESUME GUERRILLA WARFARE AND CONDEMNING THE "ARROGANT HINDU MONARCHY" FOR "SUBJUGATING" THE PEOPLE OF NEPAL. "THAT IS WHY THE ESTABLISHMENT OF A REPUBLIC AND A NEW NATIONAL ARMY HAS BECOME NECESSARY," IT ASSERTED. THE MAOISTS AGAIN CRITICIZED THE U.S. - NEPAL ANTI-TERRORIST AGREEMENT AND THE "ARRIVAL OF HUNDREDS OF AMERICAN MILITARY ADVISORS AND SUPPLY OF WEAPONS WORTH BILLIONS OF RUPEES." THE INSURGENTS ALSO CALLED FOR A NATION-WIDE BANDH TO CLOSE SCHOOLS, BUSINESSES AND TRANSPORTATION FROM SEPTEMBER 18-20.

SUMMARY OF CLASHES BETWEEN SECURITY FORCES AND MAOISTS

14. THE PACE OF VIOLENT CLASHES BETWEEN THE MAOISTS AND SECURITY FORCES INCREASED OVER THE PAST WEEK WITH A LARGE PROPORTION OF THEM TAKING PLACE IN THE LOWLAND TERAI, ALONG NEPAL'S SOUTHERN BORDER WITH INDIA. ON AUGUST 23, SECURITY FORCES INJURED SEVERAL MAOISTS IN LAMJUNG DISTRICT AND SEIZED SEVERAL 303-CALIBRE RIFLES AND SOCKET BOMBS. THAT SAME DAY IN KAILALI DISTRICT IN THE WESTERN TERAI, THREE POLICE OFFICERS WERE SERIOUSLY INJURED BY A

MAOIST-LAID LANDMINE. ALSO ON AUGUST 23, MAOISTS AMBUSHED A JOINT ARMY-POLICE PATROL IN KASKI DISTRICT. ROYAL NEPAL ARMY OFFICIALS REPORT THAT NO SECURITY PERSONNEL WERE INJURED AND AT LEAST TEN REBELS WERE KILLED, ALTHOUGH NO BODIES WERE FOUND.

15. ON AUGUST 24, TWO MAOISTS WERE KILLED IN A CLASH WITH THE RNA IN LAMJUNG DISTRICT IN CENTRAL NEPAL. ON AUGUST 25, POLICE IN PARSIA DISTRICT IN THE CENTRAL TERAI ARRESTED SIX MAOISTS ENGAGED IN EXTORTION AND SEIZED A 303 RIFLE, LIVE CARTRIDGES, A SOCKET BOMB AND ONE PAGER FROM THE DETAINEES. THAT SAME DAY, RNA FORCES REPORTEDLY KILLED THREE MAOISTS IN DARCHULA DISTRICT IN FAR-WEST NEPAL. ON AUGUST 26, MAOISTS SHOT AND KILLED THREE POLICEMEN, WHILE THREE MORE WENT MISSING IN MAHOTARI AND SARLAHI DISTRICTS IN THE TERAI. THAT SAME DAY, MAOISTS SHOT AND KILLED A POLICE OFFICER WHO WAS CONDUCTING VEHICLE CHECKS ON THE MAIN HIGHWAY IN MAHOTARI DISTRICT IN THE TERAI. SEPARATELY, MAOISTS KILLED THE FORMER CHAIRMAN OF LAUKASA VILLAGE IN RAUTAHAT DISTRICT, ALSO IN THE TERAI.

16. ON AUGUST 27, A GROUP OF ROUGHLY 45 MAOISTS KILLED THREE POLICEMEN AND INJURED ONE OTHER AT A POLICE POST IN SIRAHA DISTRICT IN THE TERAI. IN NEIGHBORING UDAPAYAPUR DISTRICT, MAOISTS SET FIRE TO A POLICE POST THAT SAME DAY. ALSO ON AUGUST 27, SECURITY FORCES REPORTEDLY KILLED 13 MAOISTS AND SEIZED AN INDIAN-MANUFACTURED SLR RIFLE, TWO 303 RIFLES, AND OTHER EXPLOSIVES AND AMMUNITION IN SEPARATE INCIDENTS IN DARCHULA, SURKHET AND PANCHTHAR DISTRICTS IN THE MID-WEST, FAR-WEST AND FAR-EAST PARTS OF THE COUNTRY RESPECTIVELY. MAOISTS ALSO ABDUCTED TEN CPN-UML MEMBERS IN ROLPA IN MID-WEST NEPAL ON AUGUST 27 AND ANOTHER THREE CPN-UML MEMBERS IN MAKWAWANPUR DISTRICT SOUTH OF KATHMANDU.

17. AFTER THE BREAK IN THE CEASE-FIRE, ON AUGUST 28, RNA FORCES AND MAOISTS CLASHED IN TWO DIFFERENT PLACES IN ROLPA DISTRICT, THE MAOISTS' HEARTLAND. SECURITY FORCES REPORTED THAT NEARLY TWO HUNDRED MAOISTS ATTACKED AN ARMY PATROL, RESULTING IN THE DEATHS OF AT LEAST SIX INSURGENTS. THAT SAME DAY, A SECOND POLICE POST IN SIRAHA DISTRICT REPORTEDLY WAS ATTACKED WHILE ANOTHER POLICE POST WAS OVERRUN IN MAHOTARI DISTRICT. ON AUGUST 29, INSURGENTS HURLED SOCKET BOMBS AND SET ABLAZE THE ANCESTRAL HOUSE OF FINANCE MINISTER DR. PRAKASH CHANDRA LOHANI IN NUWAKOT DISTRICT NORTH OF KATHMANDU. THAT SAME DAY ARMED MAOISTS LOOTED OVER USD 30,000 FROM A BANK IN CHITWAN DISTRICT IN THE TERAI.

MALINOWSKI